Fact Sheet: *Supporting Innovation in Agriculture Act of 2025*

The federal government must play a more meaningful role in fortifying national food security and positioning domestic specialty crop producers to meet the growing demand for fresh produce by incentivizing the deployment of innovative farming technologies.

The resilience of our domestic food supply is under threat by supply chain disruptions, more extreme weather and drought conditions, worsening pest and disease pressures, rising input costs and inflationary pressures, and the repercussions of labor shortages.

The use of innovative farming technologies can be a significant way of sustainably increasing the domestic production of fresh fruits and vegetables while contributing to greater surety of supply, environmental conservation, and traceability throughout the supply chain.

Unfortunately, the U.S. is falling behind other countries. According to the U.S. Department of Agriculture, for the third year in a row the U.S. is projected to run the largest agricultural trade deficit in modern history, driven in large part by increased consumer demand for specialty crops. USDA projects this trend to continue to increase without meaningful intervention.

A reversal of this rising trade deficit is possible, with the right investments and policies in place. However, meaningful action must include policies that help producers deploy innovative technologies to grow more food here at home.

Existing farm programs are not always well suited to help most specialty crop producers address the high upfront capital costs associated with innovative farming technologies and systems. In addition, many specialty crop businesses do not have the tax liability to take advantage of existing tax incentives nor are they able to incur additional debt to purchase equipment with a potentially extended return on investment.

Summary of the Supporting Innovation in Agriculture Act of 2025

The *Supporting Innovation in Agriculture Act of 2025* would establish a refundable 30 percent investment tax credit (ITC) for specialty crop producers that make a qualified investment in innovative agricultural technology projects such as precision agriculture for traditional growers or controlled environment agriculture (CEA). The credit would automatically expire after 10 years, and the bill prohibits double dipping by making producers ineligible to receive a credit for a qualified investment if that investment was also supported by a USDA grant program.

The bill has received support from more than 50 agricultural trade associations and organizations including the National Association of State Departments of Agriculture, the International Fresh Produce Association, FMI – The Food Industry Association, Agricultural Retailers Association, and the CEA Alliance.

The bill has also received support from 30 state agriculture secretaries and commissioners, including Alaska, Colorado, Connecticut, Georgia, Hawaii, Kentucky, Maryland, Massachusetts, Michigan, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, and Wyoming.